

**Conference Committee Minority Report No. 1 on
House Bill No. 3835 / Senate Bill No. 3768**

The House and Senate Conference Committee appointed pursuant to motions to resolve the differences between the two houses on House Bill No. 3835 / Senate Bill No. 3768 has met and recommends that the following amendments be deleted:

House Amendment No. 2
House Amendment No. 3
Senate Amendment No. 18
Senate Amendment No. 4
Senate Amendment No. 5
Senate Amendment No. 6
Senate Amendment No. 7

The Committee further recommends that the following amendment be adopted:

By deleting each and every section of House Bill 3835 / Senate Bill 3768 and by substituting instead new Sections 1 through 69, namely:

Sections 1 through 69 of House Bill 3835 / Senate Bill 3768 as filed for
introduction on February 6, 2012, and considered to be part of this amendment.

ADMINISTRATION AMENDMENT

2011-2012 SUPPLEMENTAL APPROPRIATIONS

AND FURTHER AMEND by deleting the following language from Section 38 of the printed bill:

Commerce and Insurance		
1.	Administration – Interdepartmental Revenue Loss – Regulatory Boards Indirect Costs	\$ 3,382,500.00
Revenue		
1.	Tax Refund Interest Expense – Accounting Change	\$ 2,500,000.00
	TOTAL	\$ 147,909,500.00

and by substituting instead:

Commerce and Insurance		
1.	Administration – Interdepartmental Revenue Loss – Regulatory Boards Indirect Costs	\$ 1,280,200.00

	Revenue		
1.	Tax Refund Interest Expense – Accounting Change	\$	2,500,000.00
2.	Sales Tax Disaster Relief		525,000.00
	Total Revenue	\$	3,025,000.00
	TOTAL	\$	146,332,200.00

Provided further that the line item appropriation in the amount of \$525,000.00 relative to Department of Revenue, Sales Tax Disaster Relief, may be increased by a sum sufficient to provide such relief as authorized by Senate Bill 2701 / House Bill 2889, if it becomes a law.

From the appropriation to the Department of Economic and Community Development in the amount of \$34,000,000 for headquarters relocation assistance, it is the legislative intent to make the following allocations to the Volkswagen Project: (a) \$19,110,000 for site preparation and infrastructure; (b) \$684,000 to FastTrack Infrastructure and Job Training Assistance for training a third shift; and (c) \$371,000 to Business Development for recruitment purposes.

The appropriations to the Department of Mental Health and to the Department of Economic and Community Development, including allocations to the Volkswagen Project, shall not revert to the general fund at June 30, 2012, and are hereby reappropriated in the fiscal year beginning July 1, 2012.

AND FURTHER AMEND in Section 41 of the printed bill by inserting a new item as follows:

Item ___. In the fiscal year ending June 30, 2012, there hereby is appropriated the sum of \$1,400,000 (non-recurring) to Loan/Scholarships Programs for the graduate nursing loan forgiveness program. The appropriation is intended to reinstate a non-recurring appropriation that reverted to the general fund balance. Pursuant to Tennessee Code Annotated, Section 49-4-702(d), this appropriation shall not revert to the general fund.

AND FURTHER AMEND in Section 48 of the printed bill by inserting the following items:

Item ___. In the fiscal year ending June 30, 2012, there hereby is reappropriated from the TennCare reserve the sum of \$58,700,000 (non-recurring) to the TennCare program for pharmacy costs and Medicare crossover payments. The Commissioner of Finance and Administration is authorized to adjust federal aid and other departmental revenue accordingly.

Item ___. In the fiscal year ending June 30, 2013, there hereby is reappropriated from the TennCare reserve the sum of \$65,000,000 (non-recurring) to the TennCare program for pharmacy costs and Medicare crossover payments. The Commissioner of Finance and Administration is authorized to adjust federal aid and other departmental revenue accordingly.

AND FURTHER AMEND by inserting a new section, to follow Section 70 of this amendment, to read as follows:

SECTION 71. Supplemental Appropriation for Land Acquisition. The provisions of this section shall take effect upon becoming law, the public welfare requiring it. In the fiscal year ending June 30, 2012, it is the legislative intent to recognize a contingency appropriation in the amount of \$8,800,000 for land acquisition made under the provisions of Section 75 in Chapter 473, Public Acts of 2011. Funding for the appropriation is identified in the 2012-2013 budget document on page A-10 (\$8,500,000) and in the administration budget amendment overview (\$300,000). Any unexpended balance of the appropriation at June 30, 2012, is hereby reappropriated to be expended in the 2012-2013 fiscal year for the purpose stated in Section 75 of Chapter 473, Public Acts of 2011.

2012-2013 ITEMS AFFECTING REVENUE AVAILABILITY

AND FURTHER AMEND by deleting in its entirety Item 9 in Section 43 of the printed bill and substituting instead the following:

Item 9. Pursuant to Tennessee Code Annotated, Section 67-6-103(k), there is apportioned from the general fund share of the sales and use tax into cities and counties state shared taxes for the County Revenue Partnership Fund the sum of \$400,000 in the fiscal year ending June 30, 2012 and the sum of \$1,000,000 in the fiscal year ending June 30, 2013.

It is the legislative intent that \$600,000 of the \$1,000,000 apportionment is for the purpose of funding the state share of the mandated local cost of Senate Bill 2251 / House Bill 2389, relative to domestic violence, if that bill becomes a law. If that bill does not become a law, then the apportionment to the County Revenue Partnership Fund in the year ending June 30, 2013, shall be \$400,000.

AND FURTHER AMEND by deleting the following language from Title III-31 in Section 1 of the printed bill:

4. Amortization of Authorized and Unissued Construction Bonds ..	88,450,000.00
Total Title III-31	\$ 436,460,000.00

and by substituting instead the following:

4. Amortization of Authorized and Unissued Construction Bonds ..	84,750,000.00
Total Title III-31	\$ 432,760,000.00

CERTAIN SECTION 1 AND 4 AMENDMENTS

AND FURTHER AMEND by deleting the following language from Title III-22 in Section 1 of the printed bill:

13. State Employees 2.5% Salary Increase	36,000,000.00
27. Severance Benefit Plan.....	2,900,000.00
33. Temporary Office Space	6,000,000.00
Total Title III-22	\$ 139,085,300.00

and by substituting instead the following:

13. State Employees 2.5% Salary Increase	35,500,000.00
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27.	Severance Benefit Plan.....	2,100,000.00
33.	Temporary Office Space	11,400,000.00
34.	OIR – Mainframe Outsourcing.....	3,700,000.00
	Total Title III-22	\$ 146,885,300.00

AND FURTHER AMEND in Section 1 of the printed bill by deleting in its entirety Title III-14 and by substituting instead the following:

14.	Department of Mental Health	
1.	Administration	
1.1	Administrative Services Division	\$ 13,653,000.00
	Total Administration.....	\$ 13,653,000.00
2.	Mental Health Services	
2.1	Middle Tennessee Mental Health Institute	\$ 27,250,000.00
2.2	Western Mental Health Institute	19,656,700.00
2.3	Moccasin Bend Mental Health Institute.....	16,379,800.00
2.4	Memphis Mental Health Institute	17,110,000.00
2.5	Community Mental Health Services.....	72,854,100.00
2.6	Major Maintenance	450,000.00
	Total Mental Health Services.....	\$ 153,700,600.00
3.	Alcohol and Drug Abuse Services	
3.1	Community Alcohol and Drug Abuse Services	\$ 17,190,600.00
	Total Alcohol and Drug Abuse Services	\$ 17,190,600.00
	Total Title III-14	\$ 184,544,200.00

AND FURTHER AMEND in Section 4 of the printed bill by deleting in its entirety Title III-14 and by substituting instead the following:

14.	Department of Mental Health	
1.	Administration	
1.1	Administrative Services Division	\$ 4,731,400.00
	Total Administration.....	\$ 4,731,400.00
2.	Mental Health Services	
2.1	Community Mental Health Services.....	\$ 18,300,400.00
2.2	Middle Tennessee Mental Health Institute	14,890,200.00
2.3	Western Mental Health Institute	13,823,500.00

2.4	Moccasin Bend Mental Health Institute.....	11,467,600.00
2.5	Memphis Mental Health Institute	4,094,900.00
	Total Mental Health Services..... \$	62,576,600.00
3.	Alcohol and Drug Abuse Services	
3.1	Community Alcohol and Drug Abuse Services	\$ 35,255,800.00
	Total Alcohol and Drug Abuse Services	\$ 35,255,800.00
	Total Title III-14	\$ 102,563,800.00

AND FURTHER AMEND the printed bill by inserting the following new paragraphs immediately after the introductory paragraph of Section 64 and by inserting the following additional sections immediately after Section 64 as amended and renumbering subsequent sections of the printed bill accordingly:

LEGISLATION RECONCILIATION

Provided that the negative amounts in line-items of this section are appropriation reductions or deletions and the positive amounts are appropriation increases. Federal and other departmental revenue adjustments may be made as indicated in the text of the line items or in reconciliation to fiscal notes and to available federal aid. Adjustments to the number of authorized positions indicated in the line items as full-time (FT) and part-time (PT) shall be reconciled to the fiscal notes.

Provided further that the term fiscal note in this item refers to the final fiscal note on the bill as enacted.

Provided further that the line item appropriation in Item 1 for Senate Bill (SB) 2701 / House Bill (HB) 2889, relative to Department of Revenue, Sales Tax Disaster Relief, may be increased by a sum sufficient to provide such relief as authorized by the bill, if it becomes a law, notwithstanding contrary provisions of this section regarding reconciliation to the fiscal note on the enacted bill.

Item 1. General Fund and Education Fund Appropriations. The following appropriations are from the general fund and education fund, as applicable.

	Recurring	Non- Recurring
1. Misc. Approp. - Administration Legislation - Delete	\$ (2,000,000)	\$ 0
2. SB 884 / HB 984 - Labor & WFD - Unemployment Benefits for Military Spouses – Reduce	(1,200)	0
3. SB 2199 / HB 2337 - Children's Services - Transitioning Youth Empowerment Act (\$4,800 Federal)	1,900	0
4. SB 2210 / HB 2348 - Education - BEP Class Size and Salary Component Change – Delete	(795,000)	0
5. SB 2233 / HB 2371 - Dept. of Revenue - E-Filing	0	0
6. SB 2246 / HB 2384 - Civil Service Reform	0	0
7. SB 2249 / HB 2387 - Boards and Commissions - Net Reduction	(247,400)	0
8. SB 2250 / HB 2388 - Correction - Felons with Firearms - Incarceration	4,900	0
9. SB 2251 / HB 2389 - Correction - Domestic Violence – Delete – Replaced by \$600,000 State-Shared Revenue to Counties	(780,000)	0
10. SB 2251 / HB 2389 - Correction - Domestic Violence – Incarceration - Delete	(868,200)	0
11. SB 2252 / HB 2390 - Correction - Gang Related Crime - Incarceration - Reduce	(1,913,900)	0
12. SB 2253 / HB 2391 - Health - Prescription Drug Bill - Controlled Substance Monitoring Database	230,300	0
13. SB 2253 / HB 2391 - Mental Health - Prescription Drug Bill - Controlled Substance Monitoring Database (\$281,700 Federal)	0	0
14. SB 2253 / HB 2391 - Correction - Prescription Drug Bill - Incarceration	29,100	0
15. SB 2280 / HB 2286 - Correction - Imitation Controlled Substances - Incarceration	86,100	0
16. SB 2701 / HB 2889 - Revenue Dept. - Sales Tax Disaster Relief	250,000	0
17. SB 2809 / HB 2613 - Higher Education - TBR - Dual Credit Courses	150,000	300,000
18. SB 3018 / HB 3175 - Correction - Controlled Substance Analogue - Incarceration	236,100	0
19. SB 3070 / HB 3459 – Secretary of State - Model Business Corporation Act - Computer Programming	0	59,500

	<u>Recurring</u>	<u>Non- Recurring</u>
(\$400 Departmental Revenue)		
20. SB 3620 / HB 3727 - Envir. & Cons. - Bicentennial Mall - Andrea Conte Walking Path - Signs	0	6,000
21. SB 3658 / HB 3431 - Labor & WFD - Unemployment Insurance Benefits - Effort to Secure Work	0	122,000
22. SB 3659 / HB 3429 - Labor & WFD - Unemployment Insurance - Internet-Based Electronic Notices (1 FT, 5 PT)	115,500	0
Total	<u>\$ (5,501,800)</u>	<u>\$ 487,500</u>

Item 2. Dedicated Source and Earmarked Appropriations. The following appropriations are from dedicated state revenue sources and departmental revenues. The appropriation line item below for Senate Joint Resolution (SJR) 353, relative to naming a building at McGhee Tyson Air Guard Base, is from federal sources, and the appropriation for that line item shall take effect upon becoming law, the public welfare requiring it.

	<u>Recurring</u>
1. SB 2247 / HB 2385 - Tennessee Regulatory Authority (5 Part-Time Directors, 1 FT Exec. Dir., -3 FT)	\$ (199,700)
2. SB 2249 / HB 2387 - Boards and Commissions - Net Reduction	(1,200)
3. SB 3094 / HB 3373 - Transportation - S.R. 385 in Shelby & Fayette Counties - Gov. Dunn Parkway - Signs (Highway Fund Earmark)	300
4. SJR 353 - Military - McGhee Tyson Air Guard Base - Building Named for Maj. Gen. Frederick H. Forster (Federal Funds Earmark)	10,500
Total	<u>\$ (190,100)</u>

OTHER ADDITIONS TO BUDGET

SECTION 65. Mortgage Servicer Settlement Agreement.

Item 1. The provisions of this section shall take effect upon becoming law, the public welfare requiring it. The provisions of this section are contingent upon the state's receipt of funds from the national mortgage servicer settlement agreement(s) or consent

judgments approved by the U.S. District Court in April 2012. There hereby is appropriated such sums as may be received from this source.

Item 2. The Commissioner of Finance and Administration is authorized to recognize the national mortgage servicer settlement revenue and allot the appropriations or allocate the funds in the manner required by generally accepted accounting principles; and such allotments and allocations shall be made for purposes and in such amounts available, as directed by the Attorney General and Reporter or the Commissioner of Financial Institutions for the funds each receives. If such funds are received or recognized in state revenue accounts as available in the year ending June 30, 2012, the Commissioner of Finance and Administration is authorized to allot a sum sufficient of such funds as may be expended in fiscal year 2011-2012 and to reserve at June 30, 2012 and 2013, the balance of such funds as may be available for expenditure in fiscal year 2012-2013 or thereafter; and such funds as are reserved at June 30, 2012, hereby are appropriated for expenditure in the year beginning July 1, 2012. At the closing of any fiscal year, it is the legislative intent that revenue received through this settlement shall be reserved for the intended purposes until expended.

Item 3. The State of Tennessee estimates that the amount of \$42,432,810 will be received, including \$41,432,810 by the Attorney General and Reporter and \$1,000,000 by the Department of Financial Institutions, for the benefit of the citizens of the State of Tennessee, to be used for purposes consistent with the applicable provisions of the consent judgments, as directed by the Attorney General and Reporter, including foreclosure prevention counseling; other housing and legal assistance programs; related compliance, investigative, enforcement, and education purposes; or to fund other programs reasonably targeted to housing or tenant issues; and to be used, as directed by the Commissioner of Financial Institutions, for Department of Financial

Institutions examiner training, information technology support, financial literacy, and consumer education. From the amount of revenue estimated above, the allocations to be made, subject to approval and adjustments by the Attorney General and Reporter for sub-items (a) through (e) of this item, are as follows, and such amounts in this item hereby are appropriated or allocated for these purposes:

(a) To the general fund, allocation of a civil penalty of \$4,120,781.

(b) To the Tennessee Housing Development Agency, \$34,500,000 to be used for its Keep My Tennessee Home financial assistance program and for foreclosure counseling.

(c) To the Department of Commerce and Insurance, Division of Consumer Affairs, for the Consumer Education Fund, \$250,000.

(d) To the Miscellaneous Appropriations, \$700,000 for grants to four legal aid entities (Memphis Area Legal Services, West Tennessee Legal Services, Legal Aid of East Tennessee, and Legal Aid Society of Middle Tennessee and the Cumberlands) for the purpose of training, education, and legal services relating to housing and foreclosure matters. The Commissioner of Finance and Administration is authorized to transfer this appropriation to the Attorney General and Reporter or to make the grants as directed by the Attorney General and Reporter.

(e) To the Attorney General's litigation settlement reserve, \$1,862,029, including \$1,637,029 for investigative and enforcement purposes and \$225,000 for executive committee work.

(f) To the Department of Financial Institutions, \$1,000,000 from the Conference of State Bank Supervisors to be allocated as follows and used for:

(a) \$350,000 for examiner training; (b) \$350,000 for information technology

support and equipment; (c) \$125,000 for a financial literacy grant to the Tennessee Financial Literacy Commission; and (d) \$175,000 for consumer education efforts by the consumer resources section of the Department of Financial Institutions. The Commissioner of Financial Institutions is authorized to adjust these amounts to the amount of revenue available from the settlement(s) and to reallocate amounts among these purposes. The Commissioner of Finance and Administration is authorized to adjust the departmental revenue estimate and allotment of the Treasury Department for the grant to the Financial Literacy Commission.

(g) The Commissioner of Finance and Administration is authorized to adjust the allocations and appropriations in this item as realized receipts require and as directed by the Attorney General and Reporter or, relative to paragraph (f), by the Commissioner of Financial Institutions.

SECTION 66. Budget Reductions Restored. In addition to the amounts appropriated in Section 1 of this act, the following amounts are appropriated from the general fund and education fund, as applicable, and the Commissioner of Finance and Administration is authorized to adjust federal aid and other departmental revenues and position authorizations accordingly. Provided, however, that the negative amounts in line-items of this section are appropriation reductions or deletions and the positive amounts are appropriation increases. Such federal aid adjustments and full-time (FT) and part-time (PT) position authorizations are estimated in the text of the following line items.

	<u>Recurring</u>	<u>Non- Recurring</u>
1. TennCare for Children's Services - Base Reduction Reconciliation (Federal \$425,200)	\$ 217,200	\$ 0
2. TennCare for Dept. of Finance and Administration,	118,800	0

	<u>Recurring</u>	<u>Non- Recurring</u>
Inspector General - Vacancy Reduction Reconciliation (\$118,800 Federal)		
3. Envir. & Cons. - Core Services FY 11 #8 - West TN River Basin Authority Maintenance	0	300,000
4. Education - Core Services FY 10 #20 - Family Resource Centers	0	3,050,000
5. Mental Health - Core Services FY 10 #7 - Peer Support Centers	0	1,377,300
6. Health - Core Services FY 10 #18 - Poison Control Center	375,000	0
7. Intellectual and Developmental Disabilities - Core Services FY 10 #7- Family Support @ \$5.5 M	0	1,000,000
8. TBI - Base Reduction FY 10 #3 - Drug Enforcement Funds	0	603,800
9. Safety - Base Reduction FY 13 #2 - Highway Patrol - Homeland Security & Wrecker Inspection (8 FT)	851,200	0
10. Children's Services - Base Reduction FY 13 #2 - Juvenile Court Supplement	855,000	0
11. Children's Services - Core Services FY 10 #3 - Juvenile Court Prevention Grants - Reduce	(855,000)	0
12. Health - Core Services FY 10 DCS #14 - Healthy Start	0	3,060,100
13. Health - Core Services FY 10 DCS #2 - Child Health & Development (CHAD)	0	838,100
14. Children's Services - Base Reduction FY 13 #9 - Child Advocacy Centers	0	250,000
Total	<u>\$ 1,562,200</u>	<u>\$ 10,479,300</u>

SECTION 67. Group Health Insurance Premium Adjustment. In addition to the amounts appropriated in Section 1 of this act, an amount of \$1,300,000 is appropriated for the purpose of adjusting the state share of group health insurance premium increases at January 1, 2013. The appropriations shall be adjusted as follows, and the Commissioner of Finance and Administration shall allocate the adjustments to the appropriate organizational units.

(a) From the Miscellaneous Appropriations, Group Health Insurance Premium – State Employees, in Section 1, Title III-22-15, reduced by \$2,600,000 to reflect a 2 percent premium increase, rather than the 4 percent included in the Budget Document.

(b) From the Higher Education systems, in Section 1, Title III-10, reduced by \$2,100,000 to reflect a 2 percent premium increase, rather than the 4 percent included in the Budget Document.

(c) To the Department of Education, Basic Education Program, in Section 1, Title III-9, Item 2.1(c), an additional \$6,000,000 for the state formula share of a 9.2 percent average increase, rather than the 5 percent included in the Budget Document.

SECTION 68. Other Additions to the Operational Budget. In addition to the amounts appropriated in Section 1 and 4 of this act, the following amounts are appropriated, and the Commissioner of Finance and Administration is authorized to adjust federal aid and other departmental revenues and position authorizations accordingly. Such federal aid and other departmental revenue adjustments and full-time (FT) and part-time (PT) position authorizations are estimated in the text of the following line items.

Item 1. General Fund Appropriations. The following appropriations are from the general fund.

	<u>Recurring</u>	<u>Non-Recurring</u>
1. Correction Dept. - Dairy Farm Boiler Operators (3 FT)	\$ 129,100	\$ 0
2. Correction Dept. - Dairy Farm Operation - Utilities	300,000	0
3. Correction Dept. - Big Brothers Big Sisters - Amachi Mentoring for Children of Inmates - Grant	0	250,000
4. TennCare - Medicaid Systems Development Staffing (Federal \$1,252,500) (32 FT)	481,500	0
5. TennCare - Diabetic Test Strips - Rate Adjustment (Federal \$565,900)	289,100	0
6. Finance and Administration - Business Solutions Delivery (8 FT)	1,400,000	0

	<u>Recurring</u>	<u>Non-Recurring</u>
7. Veterans Affairs - Communications and Public Affairs Position (1 FT)	68,000	0
8. Correction - Local Jails Reimbursement @ \$37 per Day	4,000,000	0
9. Labor & WFD - Career Centers - Federal Revenue Decrease (\$6.8 M)	0	5,000,000
10. Health – Comprehensive Sickle Cell Clinic of Memphis - Grant	0	50,000
11. Safety - Motor Vehicle Operations	<u>1,600,000</u>	<u>900,000</u>
Total	<u>\$ 8,267,700</u>	<u>\$ 6,200,000</u>

Item 2. State Treasurer. From the general fund, the sum of \$200,000 (non-recurring) hereby is appropriated to the State Treasurer for expenditures relative to veterans organizations.

Item 3. Dedicated Source Appropriations. The following appropriations are from dedicated state revenue sources.

	<u>Recurring</u>
1. Agriculture - Beef Promotion Fund - Sum Sufficient from 50¢ per Head Assessment	\$ 235,000
2. Health - Health-Related Boards - Complaint Resolution - Mediator and Investigation Positions (7 FT)	<u>760,400</u>
Total	<u>\$ 995,400</u>

Item 4. State Treasurer. In addition to the appropriation of departmental revenue to the Treasury Department in Section 4, Title III-1, Item 6.1, there hereby is appropriated from the state pooled investment fund revolving account created pursuant to Tennessee Code Annotated, Section 9-4-603(g):

(a) An amount not to exceed \$250,000 for costs associated with employee relocation and office consolidation of the Department of Revenue and for costs of providing shared facilities services supporting the Treasury Department and the Department of Revenue.

(b) An amount not to exceed \$200,000 for implementation of image cash letter deposit initiatives within state agencies.

SECTION 69. Reorganization of Appropriations. In addition to the amounts appropriated in Section 1 of this act, the following amounts are appropriated, and the Commissioner of Finance and Administration is authorized to adjust federal aid and other departmental revenues and position authorizations accordingly. Provided, however, that the negative amounts in line-items of this section are appropriation reductions or deletions and the positive amounts are appropriation increases. Full-time (FT) and part-time (PT) position authorizations are estimated in the text of the following line items.

	Recurring	
	Appropriation	Departmental Revenue
1. Correction – Field Services (-44 FT) - Reduce	\$ (4,019,500)	\$ 0
2. Parole Board - Staffing (44 FT)	4,019,500	0
3. Correction - Sentencing Act of 1985 - Reduce	(1,411,900)	0
4. Correction – Southeastern TN Regional Prison Expansion – Accelerated Staffing	1,411,900	0
5. General Services - Real Estate Asset Management – Staffing (-2 FT) – Reduce	(127,500)	0
6. Finance and Administration - State Architect - Staffing (2 FT)	127,500	0
7. Intellectual and Developmental Disabilities – Home- and Community-Based Services - Interdepartmental	0	(6,748,000)
Total	\$ 0	\$ (6,748,000)

BUDGET REDUCTIONS AND RECONCILIATION

SECTION 70. Budget Reductions and Reconciliation.

Item 1. Court System - Core Services Program Reduction. The appropriation in Section 4, Title II, Item 7, to the Court System, Administrative Office of the Courts, from its reserves is reduced by \$456,300, and the authorized positions are reduced by five (5)

for the purpose of deleting the item recommended in the 2012-2013 Budget Document, Volume 2, Base Budget Reductions, on pages 99 and 138, and identified as Core Services 2010-2011 Reductions, number 1, Staffing and Operational.

Item 2. Commerce and Insurance Department - Indirect Cost Reconciliation. The appropriation in Section 1, Title III-11, Item 1, Commerce and Insurance, Administration, is reduced by \$2,102,300 and the interdepartmental revenue estimate increased by the same amount to correct the estimated indirect costs of Regulatory Boards to an amount of \$1,280,200, rather than the amount of \$3,382,500 stated on page A-47 of the 2012-2013 Budget Document.

AND FURTHER AMEND in Section 2, Item 12(a), of the printed bill by deleting the figure "\$24,492,500" and substituting in lieu thereof the figure "\$25,904,400".

AND FURTHER AMEND in Section 11, Item 1 of the printed bill by deleting sub-item (b) in its entirety and substituting instead:

(b) The dollar value of the BEP instructional positions component shall be thirty-nine thousand eight hundred forty-nine dollars (\$39,849);

SECTION 39 – FEDERAL AND OTHER DEPARTMENTAL REVENUE

AND FURTHER AMEND by deleting in its entirety Section 39 of the printed bill and substituting the following as a new Section 39:

SECTION 39. The provisions of this section shall take effect upon becoming law, the public welfare requiring it. At June 30, 2012, any unexpended balances of departmental revenues and federal aid funds appropriated in this section are hereby reappropriated in the fiscal year beginning July 1, 2012.

(a) There hereby is appropriated from departmental revenues and federal aid funds the amounts hereinafter set out:

	<u>2011- 2012</u>	<u>2012- 2013</u>
District Attorneys General Conference		
1. District Attorneys General	\$ 143,400	\$ 0
Higher Education - State Administered Programs		
1. Tennessee Higher Education Commission	150,000	0
Labor and Workforce Development		
1. Employment Security	1,362,100	0
Mental Health		
1. Community Alcohol and Drug Abuse Services	\$ 2,090,700	\$ 4,354,600
2. Community Mental Health Services	<u>0</u>	<u>2,200,000</u>
Sub-Total Mental Health	\$ 2,090,700	\$ 6,554,600
Health		
1. Maternal and Child Health	\$ 500,000	\$ 7,852,200
2. Communicable and Environmental Disease Services	26,900	90,400
3. Community and Medical Services	129,600	0
4. Local Health Services	<u>509,800</u>	<u>0</u>
Sub-Total Health	\$ 1,166,300	\$ 7,942,600
Children's Services		
1. Custody Services	<u>0</u>	<u>30,000</u>
Sub-Total Section 39(a)	<u>\$ 4,912,500</u>	<u>\$14,527,200</u>

The Commissioner of Finance and Administration is authorized to establish eighteen (18) full-time positions and to allocate them to the appropriate organizational units, including three (3) positions in the District Attorneys General Conference; one (1) in the Department of Commerce and Insurance, Tennessee Law Enforcement Training Academy; five (5) positions in the Department of Labor and Workforce Development; and nine (9) positions in the Department of Health, including eight (8) for continuation of federally funded positions in the Division of Communicable and Environmental Disease Services.

(b) From funds available from U.S. Public Law 111-5, the American Recovery and Reinvestment Act, there is hereby appropriated from federal funds and other departmental revenues the amounts hereinafter set out:

	<u>2011- 2012</u>	<u>2012- 2013</u>
Executive Department		
1. Governor's Office	\$ 15,000	\$ 45,000
Health		
1. Maternal and Child Health	69,800	209,500
Human Services		
1. Community Services	<u>127,900</u>	<u>554,100</u>
Sub-Total Section 39(b)	<u>\$ 212,700</u>	<u>\$ 808,600</u>

The Commissioner of Finance and Administration is authorized to establish three (3) full-time positions and to allocate them to the appropriate organizational units, including one (1) position in the Executive Department, one (1) position in the Department of Health, and one (1) position in the Department of Human Services.

Total Section 39	<u>\$ 5,125,200</u>	<u>\$15,335,800</u>
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CAPITAL OUTLAY

AND FURTHER AMEND by deleting the following language from Title III-32 in Section 1 of the printed bill:

5.	Department of Environment and Conservation	12,940,000.00
7.	Department of General Services	12,930,000.00
13.	Tennessee Board of Regents	48,930,000.00
14.	University of Tennessee	34,345,000.00
Total Title III-32		\$ 138,600,000.00

and by substituting instead the following:

5.	Department of Environment and Conservation	13,940,000.00
7.	Department of General Services	15,660,000.00
13.	Tennessee Rehabilitative Initiative in Correction	2,600,000.00
14.	Tennessee Board of Regents	48,930,000.00
15.	University of Tennessee	34,345,000.00
Total Title III-32		\$ 144,930,000.00

AND FURTHER AMEND in Section 2 of the printed bill by inserting the following new items:

Item _____. The capital maintenance project, ETSU CoM Family Practice Replace Roof, to be funded in the amount of \$500,000 from the Tennessee Board of Regents appropriation in Section 1, Title III-32, Item 14 of this act and listed on page A-147 of the 2012-2013 budget document, is deleted and there is hereby reappropriated the sum of \$500,000 for the ETSU CoM Education Building Electrical Updates.

Item _____. In addition to the capital budget projects listed on pages A-144 through A-146 of the 2012-2013 budget document, two capital improvement projects and one capital maintenance project are funded in the appropriations in Section 1, Title III-32, Items 5, 7 and 13 of this act:

(a) Department of Environment and Conservation - Radnor Lake State Natural Area – Land Acquisition	\$1,000,000.00
(b) Department of General Services – Capital Maintenance - Management Support Services	\$2,730,000.00
(c) Tennessee Rehabilitative Initiative in Correction - Cook-Chill Equipment Replacement and Repair	\$2,600,000.00

SECTION 1 AND 4 AMENDMENTS - FACILITIES REVOLVING FUND (FRF)

AND FURTHER AMEND by deleting the following language from Title III-29 in Section 1 of the printed bill:

2. General Services Project Maintenance.....	5,547,600.00
3. Capital Projects	125,100,000.00
Total Title III-29	\$ 138,164,800.00

and by substituting instead the following:

2. General Services Project Maintenance.....	1,100,000.00
3. Facilities Management.....	5,547,600.00
4. Capital Projects	115,870,000.00
Total Title III-29	\$ 130,034,800.00

AND FURTHER AMEND by deleting the following language from Title III-26 in Section 4 of the printed bill:

4. Capital Projects	6,680,000.00
Total Title III-26	\$ 138,902,200.00

and by substituting instead:

4. Capital Projects	13,667,300.00
Total Title III-26	\$ 145,889,500.00

**HIGHER EDUCATION DISCLOSED CAPITAL OUTLAY
FROM SCHOOL BONDS AND INSTITUTIONAL SOURCES**

AND FURTHER AMEND in Section 29, Item 21 of the printed bill by inserting a new item to read:

The following proposed capital outlay projects, to be funded from school bonds, institutional/auxiliary and other funds, are in addition to those projects listed on pages A-150 through A-151 in the 2012-2013 Budget Document:

**State University and Community College System
(Tennessee Board of Regents)**

Austin Peay State University

Dunn Center Scoreboard Replacement	\$ 1,870,000
Total APSU	\$ 1,870,000

East Tennessee State University

Baseball Stadium Upgrades	\$ 4,500,000
Gray Fossil Site Improvements	180,000
Pedestrian Safety Improvements	1,000,000
Total ETSU	\$ 5,680,000

Middle Tennessee State University

Athletic Track Refurbishment	\$ 400,000
Data Center Consolidation	5,250,000
Keathley University Center Renovation	3,000,000
McFarland Building Renovations	2,000,000
Total MTSU	\$ 10,650,000

Tennessee State University

Campus-wide Relocations and Renovations	\$	250,000
Charter School Facilities Development		1,700,000
Hankal Hall Relocations and Renovations		1,000,000
Total TSU	\$	2,950,000

Tennessee Technological University

Foundation Hall Parking	\$	630,000
Intramural Sports and Activities Building		7,210,000
Parking and Transportation Improvements		750,000
Warf/Ellington Residence Hall Upgrade		2,250,000
Science & Engineering Complex Parking Garage		18,000,000
Tech Village Apartments Renovations Phase 3		9,680,000
Total TTU	\$	38,520,000

University of Memphis

Annex Facility Improvements	\$	400,000
Dining Pavilion Construction		150,000
Emergency Operations Generator		150,000
Intramural Field Development		1,300,000
Park Avenue Campus Entry		500,000
Traffic and Circulation Improvements		3,000,000
Zach Curlin Parking Extension		1,100,000
Carney-Johnston Dormitory Renovation		3,000,000
Dormitory Reroofing		920,000
Total UoM	\$	10,520,000

Cleveland State Community College

Fire Alarm System Upgrade	\$	1,000,000
Total CLSCC	\$	1,000,000

Jackson State Community College

Student Center Repairs and Updates	\$	500,000
Total JSCC	\$	500,000

Nashville State Community College

Antioch Teaching Site Renovations	\$	3,680,000
Total NASCC	\$	3,680,000

Pellissippi State Community College

Campus Window Replacement	\$	300,000
Career Center Renovation		700,000
Division Street Parking		820,000
Magnolia Campus Student Parking		600,000
Modular Classroom Building		370,000
Total PSCC	\$	2,790,000

Southwest Tennessee Community College

F Building Renovations	\$	190,000
Whitehaven Renovations		5,600,000
Total STCC	\$	5,790,000

Volunteer State Community College

Campus Loop Road Extension	\$	3,000,000
Wood Campus Center Upgrades		3,000,000
Total VSCC	\$	6,000,000

TTC Nashville

Aviation Hanger Construction	\$	100,000
Total TTC Nashville	\$	100,000

Total Tennessee Board of Regents	\$	90,050,000
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University of Tennessee System**University of Tennessee Chattanooga**

West Campus Parking & Housing Complex Planning	\$	2,500,000
Arena Renovations Planning		100,000
Dining Services Improvements		1,000,000
Life Sciences Laboratory Facility Planning		3,000,000
Total UTC	\$	6,600,000

UT Institute of Agriculture

Energy & Enviro. Sciences Education Ctr. Planning	\$	2,000,000
Total UTIA	\$	2,000,000

University of Tennessee Knoxville

Phillip Fulmer Way Expansion	\$	15,000,000
Greve Hall Improvements Phase 2		4,000,000

Panhellenic Building Renovation Phase 2	4,000,000
Lab Renovations	11,000,000
Deferred Maintenance	12,500,000
New Student Housing Planning	3,000,000
Total UTK	\$ 49,500,000
UT Martin	
Fine Arts Renovation and Addition Planning	\$ 500,000
Football Pressbox Improvements Planning	100,000
Total UTM	\$ 600,000
Total University of Tennessee	\$ 58,700,000
Grand Total	\$ 148,750,000

The UT Chattanooga request for Mackenzie Arena Seating & Curtain System Improvements in the amount of \$1,200,000 and the UT Knoxville request for Shelbourne Tower Renovation in the amount of \$18,000,000 as identified on page A-151 of the 2012-2013 Budget Document are to be canceled.

OTHER PROVISIONS

AND FURTHER AMEND in Section 29 by inserting the following new item at the end of the section:

Item _____. From non-recurring funds appropriated in this act to the Community College System of the Tennessee Board of Regents for purposes of implementing the phase in of the outcome-based formula, the board is authorized to reserve a portion of such funds to: (a) supplement future funding of such formula phase in for the community college system; or (b) fulfill the requirements of Tennessee Code Annotated, Section 49-8-101(c) regarding the operation of the Tennessee community college system as a unified system.

AND FURTHER AMEND in Section 9, Item 4, by deleting the words "investment performance" and substituting in lieu thereof the words "investment and pensions administration performance"

and by deleting the words “investment staff” and inserting in lieu thereof the words “investment and administrative staff”.

AND FURTHER AMEND in Section 9, Item 5, by deleting the words and punctuation “for payment of Unclaimed Property – Claims” and inserting in lieu thereof the words and punctuation “, Unclaimed Property, for payment of claims and claims administrative expense”.

AND FURTHER AMEND in Section 34 of the printed bill by inserting a new item to read:

Item ___. To the administration and support services programs in Section 1, Title III-10, Items 1.1 through 1.7, which are administered by the Tennessee Higher Education Commission or the Tennessee Student Assistance Corporation.

AND FURTHER AMEND in Section 35 of the printed bill by inserting a new item to read:

Item ___. To the University of Tennessee System in Section 1, Title III-10, Item 3 to provide for technical corrections to the allocation of funding for 401K benefits.

AND FURTHER AMEND in Section 36, by deleting Item 56 in its entirety and inserting in lieu thereof the following:

Item 56. To the Treasury Department for college savings incentive initiatives and a college savings plan in Public Acts of 2010, Chapter 1108, Section 1, Title III-1, Item 7.3, and Section 35, Item 3; and Public Acts of 2011, Chapter 473, Section 1, Title III-1, Item 7.3, and Section 72, Item 3, and Section 36, Item 60.

AND FURTHER AMEND in Section 36 of the printed bill by inserting new items at the end of the section to read:

Item ___. To the Department of Children’s Services in Section 1, Title III-23 to fund operational expenses during the closure process of the Taft Youth Developmental Center. The carry-forward amount is subject to approval by the Commissioner of Finance and Administration.

Item _____. To the Department of Environment and Conservation in Section 1, Title III-5, the unexpended balance of the \$750,000 non-recurring appropriation for May 2010 flood, stream debris removal and repair.

AND FURTHER AMEND in Section 41 by inserting the following new items at the end of the section:

Item _____. For the purpose of defraying administrative costs of authorized programs of the Tennessee Local Development Authority, there is hereby appropriated to the Tennessee Local Development Authority an amount not to exceed \$700,000 from loan repayment amounts attributable to community provider loans. Such amounts shall be determined as necessary by the State Funding Board and the Tennessee Local Development Authority.

Item _____. Court Interpreter Services. The cost increase described in the Budget Document on page B-212 as "General Sessions Courts – Interpreter Services" is incorrectly described in the Budget Document. From the appropriation to the Court System, Administrative Office of the Courts, in Section 1, Title II, Item 13, the sum of \$2,000,000 hereby is appropriated for the purpose of providing interpreter services, in accordance with the rules prescribed by the Supreme Court, to persons with limited English language proficiency who have a matter before courts established by or pursuant to Tennessee law. Provided further that the appropriation is authorized to be transferred by the Commissioner of Finance and Administration to a new line item to be called Court Interpreter Services; and provided further that the commissioner, subject to approval of the Administrative Director of the Courts, is authorized to transfer the sum of \$1,000,000 from Indigent Defendants Counsel to Court Interpreter Services, such sum being the estimated amount that otherwise would be expended for interpreter services to indigent defendants in criminal cases in the state courts.

Item __. Settlement and Judgment Awards and Similar Awards. In addition to the appropriations in Public Acts of 2011, Chapter 473, and in this act, such sums as are received by the Attorney General and Reporter or other state officials and agencies in settlements and judgments and similar awards hereby are appropriated for the purposes received, as determined by the Attorney General and Reporter in accordance with such settlements and judgments. The Commissioner of Finance and Administration shall classify such funds as are received in accordance with generally accepted accounting principles and, as advised by the Attorney General and Reporter, is authorized to allot such funds for expenditure by the appropriate departments and organizational units of state government. At June 30, 2012, and any subsequent fiscal year end, the unexpended balance of such funds shall be reserved and carried forward for expenditure in the subsequent fiscal year; and such funds as are carried forward hereby are appropriated for the intended purposes. The provisions of this item shall not require the reserving of such funds in cases in which the settlement or judgment does not require the set-aside or expenditure of funds for a specific purpose or in amounts that are intended to benefit the general fund, provided, however, that funds designated for the Attorney General and Reporter shall be reserved in the Attorney General Litigation Settlement Reserve.

Item __. Tourist Development Department Support of National Festivals and Conventions. From the appropriation to the Department of Tourist Development, Administration and Marketing, in Section 1, Title III-4, Item 1, of this act, the sum of \$50,000 (non-recurring), identified in the 2012-2013 Budget Document on page B-330, is authorized to be expended for the following purposes:

- (a) Making a grant to the National Council for the Traditional Arts to support the 2012 National Folk Festival in Nashville, if such festival will occur;

(b) increasing support for national conventions to be held in Nashville, if the Commissioner of Tourist Development determines that the purpose set forth in paragraph (a) is not possible or advisable; and under this circumstance, the sum of \$50,000 hereby is appropriated for the purpose of increasing sponsorships in cooperation with the Nashville Convention and Visitors Bureau to support national conventions of the Student Youth Travel Association and American Bus Association.

OVER-APPROPRIATION AND REVERSION ADJUSTMENTS

AND FURTHER AMEND by deleting the following language and punctuation from Item 1(a) in Section 43 of the printed bill:

“and a non-recurring reversion of \$94,500,000.”

and by substituting instead the following:

“and a non-recurring reversion of \$107,100,000.”

AND FURTHER AMEND by inserting a new sub-item in Item 1 in Section 43 of the printed bill to read:

(c) In fiscal year 2012-2013 to recognize an Office for Information Resources (OIR) rate decrease in the estimated recurring amount of \$2,600,000 by reducing appropriations made in Section 1 of this act.

TENN-CARE FEDERAL PROGRAM EXPANSION

AND FURTHER AMEND by inserting a new item in Section 48 of the printed bill to read:

Item ___. There is hereby appropriated a sum sufficient from federal grant revenues to the Department of Finance and Administration, Health-Care Planning and Innovation, related to contingency activities. The Commissioner of Finance and

Administration is authorized to adjust federal revenue allotments required to fund the Strategic Health-Care Programs accordingly.

2012-2013 SALARY POLICY

AND FURTHER AMEND by deleting in its entirety Item 2 in Section 49 of the printed bill and by renumbering the subsequent items in Section 49.

AND FURTHER AMEND by inserting a new paragraph at the end of the newly designated Item 4 in Section 49 (Item 5 of the printed bill) to read:

From the \$15,000,000 appropriation it is the legislative intent to earmark for non-executive agencies the following amounts in fiscal year 2012-2013:

Legislature	\$ 253,500.00
Fiscal Review Committee.....	12,000.00
Court System	244,500.00
Attorney General and Reporter	550,000.00
Secretary of State	225,000.00
Comptroller of the Treasury	379,500.00
Treasury Department.....	1,500.00
Total Non-Executive Agencies	\$1,666,000.00

AND FURTHER AMEND in Section 60 of the printed bill by adding the following at the end of the first paragraph:

Provided, however, that severance benefits shall not be considered to have been due to any terminated employee who is re-employed by the state within sixty days of termination, and any such employee shall reimburse the state on a pro-rata basis in such circumstance. Any such repayment shall be made in accordance with applicable payroll and accounting policies and procedures so that the repayment amount is paid by the end of the calendar year.

HOUSEKEEPING PROVISIONS

AND FURTHER AMEND in Section 1, Title III-30, in the fourth paragraph thereof, by deleting the word "Chairmen" in both instances and substituting in both places the word "Chairs".

AND FURTHER AMEND in Section 3, Item 1, in the third paragraph, by deleting the word "chairman" and substituting in lieu thereof the word "chair".

AND FURTHER AMEND and in Section 6, Item 12, by deleting the citation "Senate Bill ____ / House Bill ____" in both instances and substituting in lieu thereof in both places the citation "Senate Bill 3769 / House Bill 3836".

AND FURTHER AMEND in Section 7, Item 1, by deleting the date "2011-2012" and substituting in lieu thereof the date "2012-2013".

AND FURTHER AMEND in Section 7, Item 2, by deleting the word "Chairman" and substituting in lieu thereof the word "Chair" and by deleting the word "him" in both instances and in the first instance substituting the words "the Chair" and in the second instance substituting the words "the Secretary".

AND FURTHER AMEND in Section 7, Item 12, by deleting the word "firemen" and substituting in lieu thereof the word "firefighters", by deleting the word "fireman's" and substituting the word "firefighter's", and by deleting the word "his" and substituting the word "the".

AND FURTHER AMEND in Section 7, Item 13, by deleting the word "his" and substituting in lieu thereof the word "the".

AND FURTHER AMEND in Section 8, Item 5, by deleting the first comma and by inserting after the word and punctuation "General," the words and punctuation "in accordance with Tennessee Code Annotated, Section 8-6-106,".

AND FURTHER AMEND in Section 8, Item 11, by deleting the word "Agency" and inserting in lieu thereof the word "Authority".

AND FURTHER AMEND in Section 8, Item 16(e) by deleting the words and citation "and Section 67-4-606".

AND FURTHER AMEND in Section 8, Item 19(e) by deleting the word "Authority" and substituting in lieu thereof the word "Agency".

AND FURTHER AMEND in Section 8, Item 30(b) by deleting the words and date “Act of 1989” and substituting in lieu thereof the words “Incentive Account”.

AND FURTHER AMEND in Section 8, Item 37, by deleting the word “unit” and substituting in lieu thereof the word “Division”.

AND FURTHER AMEND in Section 10, Item 16, of the printed bill by inserting after the citation “Item 2,” the words “and in Section 68, Item 1 (8),” and by deleting the amount “\$35.00” in all three places and inserting in lieu thereof the amount “\$37.00”.

AND FURTHER AMEND in Section 10, Item 17, by deleting the amount “five hundred dollars (\$500.00)” and substituting in lieu thereof the amount “one thousand dollars (\$1,000.00)”.

AND FURTHER AMEND in Section 10, Item 25, by deleting the word “specialty” and inserting in lieu thereof the words and punctuation “cultural, specialty earmarked, new specialty earmarked, and collegiate”; and by inserting the following before the period at the end of the sentence: “, as provided in Tennessee Code Annotated, Title 55, Chapter 4”.

AND FURTHER AMEND in Section 10, by renumbering items 30, 31, 32, and 33, as items 28, 29, 30, and 31, respectively.

AND FURTHER AMEND in Section 12, Item 2, by deleting the TCA citation “4-5-209” and substituting in lieu thereof the citation “4-5-208”.

AND FURTHER AMEND in Section 12, Item 3, by deleting the words “bill is minimal” and inserting in lieu thereof the words “bill as enacted is minimal”.

AND FURTHER AMEND in Section 15, Item 7 of the printed bill by deleting the words “Finance and Administration” in two places in the item and substituting instead the words “General Services” in both places.

AND FURTHER AMEND in Section 20 by deleting the year “2012” and substituting in lieu thereof the year “2013”.

AND FURTHER AMEND in Section 23, Item 1, in the second paragraph, in its first sentence, by deleting the words “estimated federal” and inserting in lieu thereof the word “federal”.

AND FURTHER AMEND the printed bill in Section 23, Item 3, by deleting the item in its entirety and by substituting instead the following:

Item 3. The capital budget and appropriations for capital outlay shall be presented as provided in Senate Bill 2418 / House Bill 2552 or Senate Bill 3771 / House Bill 3839, if such provisions in either bill become law. If such provisions in either cited bill do not become law, the following provisions of this item shall not apply and Tennessee Code Annotated, Section 9-4-5108(b) shall apply; if such provisions in either cited bill become law, then the provisions of such bill and the following provisions of this item shall apply:

The capital budget, to be included in part 3 of the budget document, shall contain funding for all capital outlay. Funding for all capital improvement projects of whatever amount and funding for each capital maintenance project of one million dollars (\$1,000,000) or more shall be specified by project, by affected spending agency, and by funding sources, including state current funds, bonds, and other revenue. Funding for each capital maintenance project of less than one million dollars (\$1,000,000) shall be specified in such detail in the budget document as the Governor shall determine. Appropriations for capital improvement and capital maintenance projects shall be specified by state agency in lump sums consistent with capital improvement and maintenance projects detailed in the budget document.

AND FURTHER AMEND in Section 23, Item 4, of the printed bill by deleting the word “Chairmen” and inserting in lieu thereof the word “Chairs”.

AND FURTHER AMEND in Section 26, Item 6, by deleting, in the first instance in which they appear, the words “as authorized under” and substituting in lieu thereof the words “at the same rates and in the same manner provided by”.

AND FURTHER AMEND in Section 28 by inserting after the word “Administration” at the end of the second sentence the words “and the Comptroller of the Treasury, pursuant to Tennessee Code Annotated, Section 4-3-304”.

AND FURTHER AMEND in Section 31 of the printed bill by:

(a) deleting the following language:

2. Mental Health Services block grant in the amount of \$8,174,600

and inserting in lieu thereof the following:

2. Mental Health Services block grant in the amount of \$10,374,600

; and,

(b) deleting the following language:

8. Substance Abuse Prevention and Treatment block grant in the
amount of \$30,275,500

and inserting in lieu thereof the following:

8. Substance Abuse Prevention and Treatment block grant in the
amount of \$34,275,500

AND FURTHER AMEND in Section 35, Item 1, by inserting after the word and punctuation “Counsel,” the words and punctuation, “Court Interpreter Services,”.

AND FURTHER AMEND in Section 36, Item 57, by deleting the citation “Section 77, Item 19” and inserting in lieu thereof the citation “Section 41, Item 35, of this act”.

AND FURTHER AMEND in Section 36, Item 4, by deleting the TCA citation “67-4-606(a)(B)(9)” and substituting in lieu thereof the citation “67-4-606(a)(9)”.

AND FURTHER AMEND in Section 41, Item 19, by deleting the words and punctuation “(d) Governor’s Schools; and (e) Governor’s Institute for Science and Math” and inserting in lieu thereof the words and punctuation “and (d) Governor’s Schools”.

AND FURTHER AMEND in Section 41, Item 20, by deleting the words “the Tennessee Infant Parent Services School” and inserting in lieu thereof the words “Tennessee Early Intervention Services”.

AND FURTHER AMEND in Section 41, Item 24, by deleting the word “rent” and inserting in lieu thereof the word “rental”.

AND FURTHER AMEND in Section 41, Item 33, by deleting the TCA citation “67-801(b)(1)” and substituting in lieu thereof the citation “67-1-801(b)(1)”.

AND FURTHER AMEND by inserting new items at the end of Section 41 of the printed bill to read:

Item _____. The Commissioner of Finance and Administration is authorized to establish three (3) additional full-time positions in the Department of Environment and Conservation, State Parks, to correct a position count error.

Item _____. The Commissioner of Finance and Administration is authorized to establish one (1) additional full-time position in the Comptroller of the Treasury, Division of County Audit, to correct a position count error.

AND FURTHER AMEND in Section 48 of the printed bill by deleting in Item 7 the date “June 30, 2012” and the figure “\$10,100,000” and by substituting instead the date “June 30, 2013” and the figure “\$8,969,100”.

AND FURTHER AMEND by adding the following new sections:

LEGISLATIVE SOURCE ADJUSTMENTS

SECTION 72.

Item 1. The appropriation in Section 1, Title III-9, Item 2.1(b) to the Department of Education, Career Ladder, is reduced by the sum of \$1,500,000 (recurring) for the purpose of recognizing program savings because of attrition.

Item 2. At June 30, 2012, the sum of \$15,000,000 shall be transferred to the General Fund from Tennessee Emergency Management Agency (TEMA), Reserve for Disaster Relief, and the remaining unexpended balance of TEMA disaster relief appropriations and reserves shall be carried forward at June 30, 2012, and hereby is appropriated for expenditure in the year beginning July 1, 2012. The provisions of this item shall take effect upon becoming law, the public welfare requiring it.

Item 3. The appropriation in Section 1, Title III-29, to the Facilities Revolving Fund, Capital Projects, is reduced by \$5,500,000 for the purpose of reducing to \$69,500,000 the Office Consolidation Project identified on page A-170 of the 2012-2013 Budget Document.

Item 4. Of the appropriation in Section 1, Title III-8, Item 3, to the Department of Economic and Community Development, FastTrack Infrastructure and Job Training Assistance Program, and identified on page B-330 of the 2012-2013 Budget Document as a cost increase of \$10,000,000 recurring and \$10,000,000 non-recurring, the recurring sum of \$10,000,000 hereby is designated as a non-recurring appropriation, such that the entire \$20,000,000 FastTrack program cost-increase described on page B-330 shall be non-recurring.

Item 5. Of the appropriation in Section 1, Title III-9, Item 2.1(c), to the Department of Education, Basic Education Program (BEP), and identified as core-services continuation of BEP ADM Growth Funding on page 118 of the 2012-2013

Budget Document, Volume 2, a sum of \$3,500,000 hereby is designated as a non-recurring appropriation.

DEDICATED SOURCE & EARMARKS

SECTION 73.

Item 1.

(a) From the funds appropriated to the Department of Transportation, there is earmarked a sum sufficient for the sole purpose of implementing Chapter 734 of the Public Acts of 2012, Chapter 739 of the Public Acts of 2012, Chapter 740 of the Public Acts of 2012, Senate Bill 2278 / House Bill 2682, Senate Bill 2401 / House Bill 2329, Senate Bill 2678 / House Bill 2803, Senate Bill 2684 / House Bill 2794, Senate Bill 2732 / House Bill 2793, Senate Bill 2733 / House Bill 2878, Senate Bill 2778 / House Bill 3570, House Joint Resolution 872, and Senate Joint Resolution 629, if such bills and resolutions become law.

(b) From the funds appropriated to the Department of Transportation, there is earmarked a sum sufficient for the sole purpose of funding any general bill or resolution, that becomes law, designating an interstate, United States highway or state highway as a memorial highway or as a memorial bridge for certain individuals killed in the line of duty, pursuant to § 54-1-133 or § 54-5-1003, that is not otherwise funded in this act. It is the legislative intent that such funding be earmarked for implementation of such bills and resolutions in the fiscal year ending June 30, 2013, and in subsequent fiscal years.

(c) This item shall take effect upon becoming a law, the public welfare requiring it.

Item 2. From funds available and appropriated to the Department of Commerce and Insurance (Scrap Metal Registration Program), there is earmarked a sum sufficient for the sole purpose of implementing Senate Bill 2895 / House Bill 3246, relative to scrap metal dealers, if such bill becomes law.

Item 3. From funds available and appropriated to the Department of Health (Division of Health Related Boards), there is earmarked a sum sufficient for the sole purpose of implementing Senate Bill 3644 / House Bill 3688, relative to electronic notifications, if such bill becomes law.

Item 4. From funds appropriated to the Tennessee Wildlife Resources Agency, there is earmarked the sum of \$1,500 for the sole purpose of implementing Senate Bill 3655 / House Bill 3690, relative to licenses for disabled minors, if such bill becomes law.

Item 5. From funds appropriated to the Tennessee Wildlife Resources Agency, there is earmarked the sum of \$400 for the sole purpose of implementing Senate Bill 3590 / House Bill 2776, relative to reorganization of the agency, if such bill becomes law.

Item 6. From funds appropriated to the Tennessee Wildlife Resources Agency, there is earmarked the sum of \$1,500 for the sole purpose of implementing Senate Bill 2403 / House Bill 2294, relative to licenses for persons with intellectual disabilities, if such bill becomes law.

Item 7. From funds appropriated the University of Tennessee System and the Tennessee Board of Regents System, there is earmarked a sum sufficient for the sole purpose of implementing Senate Bill 3022 / House Bill 3665, relative to higher education, if such bill becomes law.

Item 8. From the funds appropriated to the Secretary of State, there is earmarked a sum sufficient for the sole purpose of publishing Senate Joint Resolution

No. 221, in accordance with Section 3 of Article XI of the Tennessee Constitution, if such resolution is adopted.

Item 9. From the funds appropriated to the Secretary of State, there is earmarked a sum sufficient for the sole purpose of publishing Senate Joint Resolution 183 and/or Senate Joint Resolution 710, in accordance with Section 3 of Article XI of the Tennessee Constitution, if either, or both, such resolutions are adopted.

Item 10. From the funds appropriated to the Secretary of State, there is earmarked a sum sufficient for the sole purpose of publishing Senate Joint Resolution No. 222, in accordance with Section 3 of Article XI of the Tennessee Constitution, if such resolution is adopted.

Item 11. It is the legislative intent that the appropriations to the Department of Economic and Community Development for the Film and Television Incentive Fund in Section 4, Title III-8, Item 10, and in Section 36, Item 31, of this act, are authorized to be used for projects that have been approved under Tennessee Code Annotated, Section 67-4-2109(j), but have not yet received funding from the state, as a result of the implementation of Senate Bill 3771 / House Bill 3839, if such bill becomes law.

LEGISLATIVE INITIATIVES

SECTION 74.

Item 1. In addition to any other funds appropriated by the provisions of this act, there is appropriated a sum sufficient to the Department of Finance and Administration for distribution to the appropriate entities for the sole purpose of implementing Senate Bill 2863 / House Bill 3213, Senate Bill 3155 / House Bill 3272, Senate Bill 2368 / House Bill 2488, Senate Bill 2371 / House Bill 2493, Senate Bill 1325 / House Bill 1379, Senate Bill 3005 / House Bill 2868, Senate Bill 2349 / House Bill 2311, Senate Bill 2606 / House

Bill 2655, Senate Bill 2759 / House Bill 3082, Senate Bill 2129 / House Bill 2309, Senate Bill 2886 / House Bill 3225, Senate Bill 2438 / House Bill 2733, Senate Bill 3176 / House Bill 2334, Senate Bill 2066 / House Bill 2114, Senate Bill 2819 / House Bill 2663, and Senate Joint Resolution No. 701, if such bills and resolutions become law. It is the legislative intent that if funding is earmarked for such implementation in such bills or resolutions that the funds appropriated in this item be reduced accordingly.

Item 2. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$250,000 (non-recurring) to the department of education for the sole purpose of allocating such sum as grants in equal amounts to each Tennessee public television station, to be used for equipment, programs and operational expenses.

Item 3. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$75,000 (non-recurring) to the department of finance and administration for the sole purpose of making grants in the amount of \$37,500 each to the Rutherford County Drug Court and the Williamson County Drug Court, to be used for operational expenses.

Item 4. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$50,000 (recurring) to the department of finance and administration for the sole purpose of contracting with a nonprofit organization for promotion of health awareness among Tennessee males. Such nonprofit organization must have been established prior to January 1, 2004; must have received a contract administered through the Tennessee department of health; must have received funding through the vitamin supplement settlement of June 2003, administered by the Tennessee attorney general's office; and must possess substantial experience with

general health outreach and education activities for males in Tennessee, including activities for the general population and the underserved living in Tennessee.

Item 5. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$100,000 (non-recurring) to the department of health for the sole purpose of making a grant in such amount to the Crumley House located in Washington County, to be used for the provision of programs and services on behalf of persons suffering from traumatic brain injuries.

Item 6. In addition to any other funds appropriated by the provision of this act, there is appropriated the sum of \$125,000 (non-recurring) to the department of health for the sole purpose of making a grant in such amount to the Memphis Oral School for the Deaf, to be used for programs and operational expenses.

Item 7. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$500,000 (non-recurring) to the Department of Health for the sole purpose of the vaccine billables project.

Item 8. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$150,000 (non-recurring) to the Administrative Office of the Courts for the sole purpose of making grants to legal aid programs in each grand division to be used for domestic violence prevention and services.

Item 9. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$335,000 (non-recurring) to the Department of Environment and Conservation for the sole purpose of restoring base funding for the West Tennessee River Basin Authority major maintenance program.

Item 10. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$100,000 (non-recurring) to the Department of Finance

and Administration for the sole purpose of making a grant in such amount to Tennessee History for Kids, Inc., to be used for programs, services, and operational expenses.

Item 11. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$157,500 (non-recurring) to the Department of Tourist Development for the purposes of web site development, marketing, advertising and other support services for the Tennessee Sesquicentennial Commission.

Item 12. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$316,000 (non-recurring) to the Department of Human Services for the sole purpose of making a grant in such amount to the Second Harvest Food Bank of Middle Tennessee, to be used for the purpose of purchasing, handling, and transporting food for hunger relief. The Second Harvest Food Bank of Middle Tennessee shall distribute the funds to the five (5) food banks across the state, as follows:

35% to Second Harvest Food Bank of Middle Tennessee;

25% to Memphis Food Bank;

20% to Second Harvest Food Bank of East Tennessee;

10% to Chattanooga Area Food Bank;

10% to Second Harvest Food Bank of Northeast Tennessee.

Item 13. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$450,000 (non-recurring) to the Department of Economic and Community Development for the sole purpose of local planning transition grants. It is the intent of the General Assembly that each of the nine (9) development districts receive \$50,000.

Item 14. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$120,000 (recurring) to the Commission on Children

and Youth for the sole purpose of making grants of \$15,000 each to seven (7) counties participating in the Court Appointed Special Advocates (CASA) program and to one (1) additional county seeking to participate in the program, bringing the total counties receiving state funds to forty-five (45).

Item 15. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$1,681,500 (non-recurring) to the Department of Intellectual and Developmental Disabilities for the sole purpose of restoring funding for the Family Support Program that provides assistance to developmentally disabled individuals who do not qualify for intellectual disabilities services.

Item 16. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$100,000 (non-recurring) to the Tennessee Bureau of Investigation (TBI) for the sole purpose of making grants to local governments in which Crime Stoppers operates. The TBI is authorized to award such grants upon application submitted by a local government as required by the TBI.

Item 17. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$180,000 (non-recurring) to the Department of Education for the sole purpose of grants-in-aid to science alliance museums.

Item 18. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$2,000,000 (non-recurring) to the Department of Education for the sole purpose of restoring funds for school internet connectivity.

Item 19. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$25,000 (non-recurring) to the District Attorneys General Conference for the sole purpose of training and improving administrative practices for drug task forces.

Item 20. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$105,000 (non-recurring) to the Department of Education for the sole purpose of career and technical education programming implemented through the Tennessee Alliance of Boys & Girls Clubs.

Item 21. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$800,000 (non-recurring) to the department of finance and administration for the sole purpose of making a grant in such amount to Meharry Medical College, to be used in support of the Meharry HBCU Wellness Project.

Item 22. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$95,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to the National Institute for Law and Equity (NILE), to be used for operational expenses and programs, including continuation of the Parent Partner Program.

Item 23. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$15,000 (non-recurring) to the District Attorneys General Conference for the sole purpose of hosting the National Association of Prosecutor Coordinators (NAPC) conference in Nashville during December 2012.

Item 24. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$49,000 (non-recurring) to the department of finance and administration for the sole purpose of making a grant in such amount to the Secret Safe Place for Newborns, to be used for the purpose of informing the community of safe, secret options under the Safe Haven Law.

Item 25. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$100,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to the Shelby

County Drug Court under the guidance of Judge Tim Dwyer, to be used for programs, services and operational expenses.

Item 26. In addition to any other funds appropriated by the provisions of this act, there is appropriated an amount up to \$100,000 (non-recurring) to the Tennessee Historical Commission for the sole purpose of research and publication of up to one thousand two hundred (1,200) hardbound copies of the next volume of the Biographical Directory of the Tennessee General Assembly.

Item 27. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$150,000 (non-recurring) to the Department of Health for the sole purpose of making a grant in such amount to St. Jude Hospital in Memphis, to defray, in whole or in part, the expenses of patients and their families who are citizens and residents of Tennessee in traveling to and from St. Jude Hospital. Such payments shall be administered by the hospital and shall be made on the basis of need. Such patients, or their families, requesting assistance from these funds shall supply such documents supporting need and travel expenses as the hospital may require.

Item 28. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$206,300 (non-recurring) to the Department of Health, Bureau of Health Services, Community and Medical Services, for the sole purpose of restoring funding for the epilepsy program.

Item 29. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$100,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to the Nashville Drug Court Support Foundation, a non-profit corporation, to be used for general operating costs to help prevent and resolve issues related to substance abuse.

Item 30. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$50,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to a Tennessee nonprofit fund supporting services to communities of greatest need to be used for enterprise development week youth economic summits in Nashville, Chattanooga and Memphis.

Item 31. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$100,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to A Bridge of Hope, to be used to provide human trafficking training programs to law enforcement officers.

Item 32. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$125,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to the Tennessee Association of Rescue Squads, to be used for the acquisition of underwater radar and associated costs.

Item 33. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$15,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to the Tennessee Association of Rescue Squads, to be used for operational costs.

Item 34. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$500,000 (non-recurring) to the University of Tennessee System for the sole purpose of programs and services provided through the UT Law Enforcement Innovation Center.

Item 35. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$10,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making a grant in such amount to Tennessee CASA, to be used for programs and services.

Item 36. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$100,000 (non-recurring) to the Department of Environment and Conservation for the sole purpose of making a grant in such amount to the Chickasaw Basin Authority.

Item 37. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$35,000 (non-recurring) to the Tennessee Historical Commission for the sole purpose of conducting an audit of war memorials to ensure that all appropriate individuals have been listed on such memorials. No later than December 1, 2012, the commission shall report to the members of the finance, ways and means committees of the senate and the house of representatives on the physical condition of the various memorials to identify substandard memorials. The commission shall develop a plan to remedy any problems discovered with such memorials.

Item 38. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$5,000,000 (non-recurring) to the Board of Regents, for the purpose of capital improvements at Roane State Community College (Oak Ridge Campus), Chattanooga State Community College, Jackson State Community College, Dyersburg State Community College (Covington Campus), and Walters State Community College.

Item 39. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$1,500,000 (non-recurring) to the Tennessee Arts

Commission for the sole purpose of making grants for musical heritage in each grand division of the state.

Item 40. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$244,000 (non-recurring) to the Department of Finance and Administration for the sole purpose of making grants, in equal amounts, to the drug courts located in non-urban counties, to be used for programs, services and operational expenses.

Item 41. To the University of Tennessee, \$5,000,000 is made available from National Academy-Level Faculty unobligated reserves for use toward the completion of the Joint Institute for Advanced Materials Science (JIAMS) research laboratory facility at Cherokee Farm. The provisions of this item shall take effect upon becoming a law, the public welfare requiring it.

Item 42. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$75,000 (non-recurring) to the Department of Education for the sole purpose of making a grant in such amount to the Education Equal Opportunity Group, Inc. (EEOG), to be used to support student participation in EEOG programs for at-risk and under-served students.

Item 43. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$30,000 (non-recurring) to the Tennessee Historical Commission for the sole purpose of the continuation of the historical interpretation pilot project. It is the intent of the General Assembly that such funds be distributed to the same property funded in Section 77, Item 7, of Chapter 473 of the Public Acts of 2011.

Item 44. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$200,000 (non-recurring) to the department of finance and administration for the sole purpose of making a grant in such amount to the town of

Somerville, to be used for seed money in the town's efforts to build a facility for higher education.

Item 45. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$300,000 (non-recurring) to the department of finance and administration for the sole purpose of making a grant in such amount to E.M. Jellinek Center of Knoxville, Tennessee, to be used for programs, services, and operational expenses related to substance abuse treatment.

Item 46. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$15,000,000 (non-recurring) to the board of regents for the purpose of providing equipment for and expanding programs at the Tennessee technology centers.

LANGUAGE AMENDMENTS

SECTION 75.

Item 1. From the funds appropriated by this act, the department of finance and administration is directed to study the increasing prices of gasoline compared to the applicable rate of mileage reimbursement paid to state employees, excluding members of the general assembly, for using personally owned or leased vehicles in the course of official state business. The department shall propose recommendations arising from the study, including recommendations for increasing the rate of reimbursement when the average price of regular gas in this state exceeds four dollars (\$4.00) per gallon or a higher amount, as certified by the American Automobile Association's ("AAA") Daily Fuel Gauge Report. Such recommendations shall be reported to the chairs of the finance, ways and means committees of the senate and the house of representatives no later than December 1, 2012.

Item 2. Each state agency shall report to the chairs of the finance, ways and means committees of the senate and the house of representatives and to the office of legislative budget analysis when the agency applies for a federal grant of more than \$100,000.

Item 3. From the appropriations made in this act, the Department of Finance and Administration, Bureau of TennCare, is requested to examine the impact to the budget of moving the CoverKids program, Tennessee's Children's Health Insurance Program (CHIP), into the TennCare program. The Bureau of TennCare shall report no later than January 1, 2013 to the chairs of the finance, ways and means committees of the senate and the house of representatives on the budget impact.

Item 4. It is the legislative intent that in the fiscal year ending June 30, 2013 and in subsequent fiscal years, any required reversion to the general fund balance from any unexpended funds available to the Secretary of State, Division of Public Documents, be reduced by a sum sufficient and transferred to the division for the sole purpose of funding any joint resolution, that becomes law, calling for an amendment to the Tennessee Constitution. It is the legislative intent that such funding be used to provide notice of any constitutional amendments proposed by the General Assembly.

Item 5. From the appropriations made in this act, the Administrative Office of the Courts is requested to conduct a statewide study of the assessment of all unpaid court fees, fines and costs compared to the actual collection of such fees, fines and costs. The study shall be limited to those assessments and collections made in the 2011-2012 fiscal year. The results of the study, including any recommended legislation, shall be reported to the chairs of the finance, ways and means committees, the judiciary committees of the senate and house of representatives, and the executive director of the fiscal review committee no later than January 1, 2013.

Item 6. It is the intent of the General Assembly that state funding for kindergarten not be reduced in any subsequent fiscal year due to the provisions of Senate Bill 2630 / House Bill 2566, relative to age for school attendance, if such bill becomes law.

SECTION 76. The provisions of this section take effect upon becoming law, the public welfare requiring it. From the appropriations made in this act, there is hereby appropriated a sum sufficient for implementation of any legislation cited, or otherwise described by category, in this act that has an effective date prior to July 1, 2012.

FACILITIES REVOLVING FUND (FRF)

SECTION 77. It is the legislative intent to recognize revisions in the Facilities Revolving Fund (FRF) capital improvements and capital maintenance projects listed on pages A-170 and A-171 of the 2012-2013 budget document. The projects are funded by appropriations made in Section 1, Title III-29, Item 4, and in Section 4, Title III-26, Item 4, of this act and from residual bond reserves of the Facilities Revolving Fund.

Item 1. In addition to the projects identified in the 2012-2013 budget document, \$4,720,000 is provided from revenues of the Facilities Revolving Fund for Capital Maintenance – Management Support Services.

Item 2. In addition to the projects identified in the 2012-2013 budget document, \$3,900,000 is provided from residual bond reserves (\$3,100,000) of the Facilities Revolving Fund and Office of Information Resources revenues (\$800,000) for the OIR Data Center North Renovation.

Item 3. The Davy Crockett Building Renovations project in the amount of \$1,000,000, as identified in the 2012-2013 budget document is hereby increased by

\$2,720,000 in state appropriations, and \$1,480,000 from revenues of the Facilities Revolving Fund.

Item 4. In addition to the projects identified in the 2012-2013 budget document, \$427,300 is provided from revenues of the Facilities Revolving Fund to address security upgrades of the Legislative Plaza.

Item 5. The Rachel Jackson Building Renovations project in the amount of \$2,200,000, as identified in the 2012-2013 budget document, is hereby canceled.

Item 6. The R.S. Gass Laboratory Interior Renovations project in the amount of \$2,450,000, as identified in the 2012-2013 budget document, is hereby reduced by \$1,800,000.

Item 7. The John Sevier Interior Renovation project in the amount of \$6,000,000 as identified in the 2012-2013 budget document, is hereby canceled.

Item 8. The Central Services Building Interior Renovation project in the amount of \$1,950,000, as identified in the 2012-2013 budget document, is hereby canceled.

Item 9. The TPS Hardison Complex Flooring Updates project in the amount of \$440,000, as identified in the 2012-2013 budget document, is hereby canceled.

PUBLIC DEFENDER OFFICES

SECTION 78. Public Defender Offices in Davidson and Shelby Counties.

Item 1. From the appropriation for state employees 2.5 percent salary increase in Section 1, Title III-22, Item 13, the sum of \$92,300 is earmarked for the public defenders offices in Davidson County and Shelby County, to be allocated as follows:

- (a) Davidson County, \$31,300; and
- (b) Shelby County, \$61,000.

The amounts earmarked above are determined on the following basis:

The 2.5 percent salary policy adjustment for the district public defenders is an amount equal to 1.95 percent of the base recommended state appropriation for district public defenders; and the amounts earmarked above for Davidson and Shelby counties are equal to 1.95 percent of the base recommended state appropriations for the public defenders offices in Davidson County and Shelby County.

Item 2. The commissioner of finance and administration is directed to study issues pertaining to implementation of the provisions of Tennessee Code Annotated, Section 8-14-210, relative to budget increases for the public defender offices in Davidson and Shelby counties. No later than the day after transmittal of the next budget document to the general assembly, a report of findings and recommendations shall be transmitted by the commissioner to the speakers of the senate and house of representatives; the chairs of the finance, ways and means committees; the majority and minority leaders of both houses; and the director of the office of legislative budget analysis.

The commissioner shall examine the meaning of the language "the state shall pay to the county or metropolitan government an amount equal to the percentage of any general increases in appropriations for district public defenders"; the manner in which such increase has been calculated; whether a base budget adjustment is recommended in consideration of the meaning of § 8-14-210 or for other reasons; other associated matters that the commissioner deems appropriate; and recommendations for clarifying the language of § 8-14-210. Clarification of § 8-14-210 may include alternative means of providing for budget adjustments.

If the commissioner finds in the study that a base budget adjustment should be made or that § 8-14-210 should be clarified or changed for future budget adjustments, it

is the legislative intent that the 2013-2014 budget document transmitted by the governor to the general assembly include the recommended appropriation increase and that the governor's budget legislation include any recommended change in law.

HIGHER EDUCATION LOTTERY SCHOLARSHIPS

AND FURTHER AMEND by adding the following language as new items to Section 52:

Item 6. From the Lottery for Education Account, there is appropriated a sum sufficient for the sole purpose of implementing Senate Bill 2687 / House Bill 3332, relative to a short form lottery scholarship application, if such bill becomes a law.

Item 7. From the Lottery for Education Account, there is appropriated a sum sufficient for the sole purpose of implementing Senate Bill 3599 / House Bill 3816, relative to lottery scholarships for home school students, if such bill becomes a law.

Item 8. From the Lottery for Education Account, there is appropriated a sum sufficient for the sole purpose of implementing Senate Bill 3170 / House Bill 3622, relative to the eligibility status of the Art Institute of Nashville, if such bill becomes a law.

Item 9. From the Lottery for Education Account, there is appropriated a sum sufficient for the sole purpose of implementing Senate Bill 2919 / House Bill 3114, relative to the Tennessee STEP UP scholarship program, if such bill becomes a law.

MISCELLANEOUS

AND FURTHER AMEND by adding the following paragraph to the end of Section 23, Item 3:

The Commissioner of Finance and Administration shall provide a written quarterly report to the director of the Office of Legislative Budget Analysis and to the executive director of the Fiscal Review Committee identifying additions, deletions or other modifications of capital improvement and capital maintenance projects occurring

subsequent to enactment of the annual budget through the appropriations and bond authorization acts.

AND FURTHER AMEND by adding the following sentence to the end of Section 63, Item 2:

It is the intent of the general assembly that such funds shall not be distributed by means of the higher education formula.

AND FURTHER AMEND by deleting the item within Section 29 which reads as follows:

From non-recurring funds appropriated in this act to the Community College System of the Tennessee Board of Regents for purposes of implementing the phase in of the outcome-based formula, the board is authorized to reserve a portion of such funds to: (a) supplement future funding of such formula phase in for the community college system; or (b) fulfill the requirements of Tennessee Code Annotated, Section 49-8-101(c) regarding the operation of the Tennessee community college system as a unified system.

and by substituting instead the following language:

From non-recurring funds appropriated in this act to the Community College System of the Tennessee Board of Regents for purposes of implementing the phase in of the outcome-based formula, the board is authorized to reserve a portion of such funds to: (a) supplement future funding of such formula phase in for the community college system; or (b) fulfill the requirements of Tennessee Code Annotated, Section 49-8-101(c) regarding the operation of the Tennessee community college system as a unified system. The Tennessee Board of Regents shall file a written report with the chairs of the Education Committees of the Senate and House of Representatives concerning the provisions of this item.

AND FURTHER AMEND by adding the following sentence to the end of the item within Section 41 which begins "Settlement and Judgment Awards and Similar Awards":

The Attorney General and Reporter shall file a written report with the Speaker of the Senate, the Speaker of the House of Representatives and the Office of Legislative Budget Analysis upon receipt of any settlement or judgment in excess of \$1,000,000; such report shall specify the nature of the settlement or judgment, the amount of the settlement or judgment and the purposes for which any such settlement or judgment funds are received.

AND FURTHER AMEND by deleting the item within Section 41 which reads as follows:

Tourist Development Department Support of National Festivals and Conventions.

From the appropriation to the Department of Tourist Development, Administration and Marketing, in Section 1, Title III-4, Item 1, of this act, the sum of \$50,000 (non-recurring), identified in the 2012-2013 Budget Document on page B-330, is authorized to be expended for the following purposes:

(a) Making a grant to the National Council for the Traditional Arts to support the 2012 National Folk Festival in Nashville, if such festival will occur;

(b) increasing support for national conventions to be held in Nashville, if the Commissioner of Tourist Development determines that the purpose set forth in paragraph (a) is not possible or advisable; and under this circumstance, the sum of \$50,000 hereby is appropriated for the purpose of increasing sponsorships in cooperation with the Nashville Convention and Visitors Bureau to support national conventions of the Student Youth Travel Association and American Bus Association.

and by substituting instead the following:

Tourist Development Department Support of National Festivals and Conventions.

From the appropriation to the Department of Tourist Development, Administration and Marketing, in Section 1, Title III-4, Item 1, of this act, the sum of \$50,000 (non-

recurring), identified in the 2012-2013 Budget Document on page B-330, is authorized to be expended for making a grant to the National Council for the Traditional Arts to support the 2012 National Folk Festival in Nashville, if such festival will occur.

AND FURTHER AMEND by deleting the language "\$107,100,000" from Section 43, Item 1 and by substituting instead the language "\$107,300,000".

AND FURTHER AMEND by deleting the item within Section 48 which reads as follows:

There is hereby appropriated a sum sufficient from federal grant revenues to the Department of Finance and Administration, Health-Care Planning and Innovation, related to contingency activities. The Commissioner of Finance and Administration is authorized to adjust federal revenue allotments required to fund the Strategic Health-Care Programs accordingly.

AND FURTHER AMEND by requesting the Engrossing Clerk to:

- (1) Insert between Sections 64 and 65 of the printed bill any new sections added to the bill so that Sections 65 through 69 of the printed bill will be the renumbered final sections of the engrossed bill;
- (2) Delete the bold underlined explanatory headings in this amendment; and
- (3) Exclude this paragraph from the engrossed bill.

Senator Randy McNally

Representative Charles Sargent

Senator Lowe Finney

Representative David Alexander

Senator Bill Ketron

Representative Craig Fitzhugh

Senator Jim Kyle

Representative Mike Harrison

Senator Mark Norris

Representative Gerald McCormick

Senator Bo Watson

Representative Mike Turner